

TO BE FILED WITH
THE ASSESSOR ON
OR BEFORE
AUGUST 1

Notice to Divide Tax for Community Redevelopment Project

Tax Increment Financing Project (TIF)

- To be filed on or before August 1 in the calendar year that the division of the real property tax is to become effective

This section to be completed by the City or Community Redevelopment Authority (CRA)

County Name

City Name where TIF project is located

Name of TIF Project

Provide a brief description of the TIF project:

Calendar year that the division of real property tax is to become effective

Base Value Year (year prior to the calendar year that the division of real property is to become effective)

Specify the legal description(s) and street addresses of real property parcels to be included in the TIF project (or attach list) and/or provide location and boundaries of the property in the redevelopment plan (or attach a map):

Under penalty of perjury, I hereby state that I am the authorized representative of the city or Community Redevelopment Authority (CRA) and that I have provided all required information to the assessor on or before August 1 in the calendar year that the division of real property tax is to become effective.

sign
here

Authorized Signature

Title

Date

This section to be completed by the Assessor

The assessor shall verify and complete the redevelopment project valuation or "base value" for the parcels of real property located within the TIF project specified above. For example, if the calendar year for dividing the real property tax is 2007, the base value shall mean the assessed value of the taxable real property last certified to the political subdivisions in the year prior to the effective date of the provision authorizing the dividing of the tax, i.e. 2006. When there is no redevelopment project value on a parcel or parcels, the assessor shall determine the redevelopment project valuation based on the fair market value of the parcel or parcels as of January 1 of the year prior to the year that the property taxes are to be divided, pursuant to Neb. Rev. Stat. §18-2147(1)(a).

Amount of Real Property Base Value Determined for the TIF Project specified on this notice: \$ _____

Assessor's Signature

Date

INSTRUCTIONS

WHO MUST FILE. Any city or community redevelopment authority (CRA) that has exercised their statutory powers to carry out provisions of the Community Redevelopment Law and requests the assessor to divide the real property taxes of the parcels located in a new community redevelopment project or tax increment financing project (TIF), pursuant to Neb. Rev. Stat. §18-2147(3).

WHEN AND WHERE TO FILE. Beginning August 1, 2006 and on or before August 1 thereafter, in the calendar year that the division of the real property tax is to become effective, the city/CRA shall complete the required information specified on this prescribed form, "Notice to Divide Tax for Community Redevelopment Project," for each new TIF project and submit the document(s) to the assessor.

DEFINITIONS. Redevelopment project valuation, also known as the **base value**, shall be the assessed valuation on the taxable real property in the redevelopment project last certified to the political subdivisions in the year prior to the effective date to divide the tax. Redevelopment project **excess valuation** shall be the total assessed valuation on the real property in a redevelopment project for the current year less the redevelopment project base valuation.

FAILURE TO SUBMIT NOTICE OF TIF TIMELY. If the city/CRA fails to provide this notice to divide the real property taxes to the assessor on or before August 1 of the calendar year the taxes were to be divided, the taxes collected and allocated to the political subdivisions entitled thereto, shall remain as allocated for years of failure to satisfy the notice requirement. When the notice to divide the tax is provided on or before August 1, the taxes for the real property in the TIF project shall be divided from that time forward. The division shall be based upon the last certified valuation for the year prior to the effective date of the provision by the authority, to divide the tax.

For example:

2007: Calendar year the real property taxes to be divided for TIF
2006: Year of base value
Notice of TIF received by assessor after August 1, 2007 is considered untimely.
2007: Taxes shall be distributed in full to the political subdivisions
2008 through expiration of project: Taxes shall be divided for TIF using 2006 as the base value

DIVISION OF TAX. The division of the real property tax is determined by subtracting the redevelopment project base valuation from the current year assessed value to arrive at the

redevelopment project's excess value. The consolidated tax rate for the tax district is applied to both the base value and excess value. The resulting real property tax for the base value shall be distributed to all the political subdivisions that comprise the tax district in which the project is located. The resulting real property tax for the excess value shall be distributed to a special fund to be used by the city/CRA for the sole purpose of paying the indebtedness incurred for the project for which the taxes were paid. The division of the real property tax on the redevelopment project shall not exceed 15 years after the effective date of the notice provided to the assessor by the city/CRA.

SIGNATURE OF CITY/CRA. This notice shall be signed and dated by the authorized representative of the city/CRA.

REQUIREMENTS OF TIF PROPERTY. The city/CRA shall not implement any plan containing provisions to divide the taxes for real property in the redevelopment plan until such time as the real property in the redevelopment project has been deemed blighted and substandard and is within the corporate boundaries of the city. The city may annex noncontiguous land to develop agricultural processing facilities, pursuant to Neb. Rev. Stat. 17-405.01(2), that are intended to be a TIF project (e.g. ethanol plant).

OTHER REPORTING REQUIREMENTS OF THE CITY/CRA. On or before December 1 of each year, any city which has approved redevelopment plans that are financed in whole or in part through the use of tax increment financing, shall file a report with the Property Tax Administrator for each plan. The report shall contain; a) a copy of the redevelopment plan, the effective date for dividing the real property taxes as provided to the assessor and the location and boundaries of the property in the redevelopment project, and b) a short narrative description of the type of development undertaken, including the financing and type of business or commercial activity locating within the redevelopment area as a result of the redevelopment project.

PAYMENT OF DEBT AND CITY/CRA NOTIFICATION TO ASSESSOR AND TREASURER. When the indebtedness incurred for the project has been paid, the city/CRA shall immediately send written notification to the assessor, county treasurer, and Property Tax Administrator that all further real property taxes shall be distributed to the respective political subdivisions allowed to levy a tax on the real property within the TIF project.